



Norman H. Bangertter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

DOGDM
MINERALS PROGRAM
FILE COPY

March 26, 1990

Mr. Lawrence D. McGeath
Smith & Ardussi, Incorporated
201 Elliot Avenue W.
Suite 205
Seattle, Washington 98119

Dear Mr. McGeath:

Re: Large Mine to Small Mine Conversion & Release of Reclamation Surety, Bond No. 4086846, White Mountain Gypsum Company, Inc., White Mountain Mine, M/027/001 to S/027/001, Millard County, Utah

On February 20, 1990, the Division received your Small Mining Operation Notice of Intention application form for the White Mountain Mine. This form was filed to formally request a change in the White Mountain mine size category from a Large Mining Operation to a Small Mining Operation.

The application has been determined complete and no further information is required at this time. Pursuant to the Division's policy regarding conversion of a large mining operation to a small mining operation status, the Division performed a field inspection of the minesite on March 2, 1990.

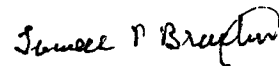
Based upon that inspection, we confirmed that the present mining-related surface disturbance is less than five (5) acres. Therefore, the Division can now release the \$2884 reclamation surety (bond no. 4086846) that is on file for the White Mountain mine site. Susan B. Larson of Safeco Insurance Company will be provided with the appropriate signed release forms and bond.

Smith & Ardussi, Incorporated will remain responsible for final reclamation of the White Mountain mine site pursuant to the filing of the new Small Mining Operation Notice of Intention. A formal permit transfer to another entity would need to occur before the Division could acknowledge a change in this obligation. We have forms available if you desire to pursue this at some future date.

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Mr. Lawrence D. McGeath
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Thank you for your cooperation in completing this permitting action. Please contact myself or Wayne Hedberg of my staff should you have any questions regarding the content of this letter. For future correspondence, please reference S/027/001 as the new project number for the White Mountain Mine.

Sincerely,



Lowell P. Braxton
Associate Director, Mining

jb
cc: Susan Larson, Safeco
Wayne Hedberg, DOGM
Pam G.-Littig
WMN/2-3